



## Telecommunications Market Snapshot: Argentina

### Key Statistics

Population	41.77 million (July 2011 est.)
GDP	\$596 billion (2010 est.)
Per capita GDP	\$14,700 (2010 est.)
Main lines	9.77 million (2009)
Teledensity	24% (2009)
Mobile subscribers	52.48 million (2009)
Mobile penetration	130% (2009)
Internet users	13.694 million (2009)
Internet penetration	34% (2009)
Broadband subscribers	4.28 million (2009)
Spending on telecom equipment and services	\$8.6 billion (2009)
U.S. equipment exports to market	\$159.73 million (2010)

Sources: CIA World Factbook, ITU, US Commercial Service, USITC

### Market Overview

The telecommunication sector in Argentina has grappled with an enduring recession, a worldwide contraction in telecommunication service providers, a return to high inflation, and the consequences of a precipitous devaluation. Despite all this, the sector is still large enough to merit the attention of U.S. telecommunication companies.

The peso's loss of more than two thirds of its value in the first six months of 2002 has been detrimental to the development of more traditional telecommunication services, but it has provided incentive for many companies in niche areas. Argentina has seen an increase in callback services, routing, and call centers. The favorable exchange rate has made labor and interconnection costs suitable for developing these types of services. Another growing area is prepaid calling cards. Additionally, the telecom sector has witnessed significant growth in the following sub-sectors: free Internet access service providers, Internet and network security products, ADSL modems and technologies, wireless access networks, VOIP, and VPNs.

Argentina has been savvy at adapting new technology faster than other Latin American nations. The telecommunication industry grew exponentially in the 1990s, as Argentina was the first country in the region to privatize its state monopoly followed by complete deregulation of the telecom industry by the end of 2000. Traditional telecommunication companies have put their investment plans on hold due to the current economic climate, but there is tempered optimism for a return to expansion in 2003-2004.

Deregulation included regulations for licensing, interconnection, universal service and spectrum management. This new framework has opened the market to a full range of communications services and has been intended to create a level playing field for new entrants. The regulatory framework of Decree 764/2000 opened up the full range of telecommunications services, including IP telephony.

There is competition in the Internet sector. However, until the local loop is unbundled, two providers – Telecom Argentina and Telefónica de Argentina – will dominate both dial-up and broadband services.

## Equipment

For decades, Siemens was by far the leading supplier in the Argentine telecommunications equipment market. Privatization and deregulation, in addition to the presence of new technologies, created a real competitive environment among equipment providers. Almost 90 percent of equipment is imported. There is no significant domestic production of telecommunications equipment, although there are limited assembly plants in Buenos Aires, Córdoba, Tucumán, and Tierra del Fuego.

Import duties on equipment are low. They vary between two and 10 percent. Per Resolution 08/01, import duties for much telecom equipment has been lowered to zero. Protests from Brazil, the main exporter of cellular terminals to Argentina, brought about – through Resolution 27/01 – extra zone import duties of 22 percent for cellular handsets.

All imported telecom equipment needs approval from the Comisión Nacional de Comunicaciones (CNC). In general, FCC approval guarantees CNC's approval and certification of equipment. American companies should be prepared to provide telecommunication equipment in the electric current A.C. 50 Hz - 220 V (one phase) and A.C. 50 Hz - 380 V (three phase). Telecommunications systems must conform to ITU-T standards, Chapter 7, which limits U.S. participation. Handbooks, operations manuals, and instructions should be in Spanish.

Further information regarding technical standards and legal conditions for telecommunications equipment and/or services can be obtained from the CNC.

## Recent Developments

In 2010, the government launched Argentina Conectada in 2010, a national plan with the goal of providing broadband and digital television to underserved parts of the country. This will give broadband providers a major opportunity to expand.

In addition, the Senate passed a broadcast reform bill in February of 2011, which aimed to open airwaves to new telecom operators and to limit the number of licences that can be held by a single broadcasting company. The bill called for owners of multiple media licences to disinvest a part of their holdings within a year and split the broadcast spectrum uniformly among commercial users, the government and non-profit organizations.

## Telecom Trade Agreements

### WTO

Argentina has made commitments covering both basic and value-added telecom services in the World Trade Organization (WTO). For a list of the country's commitments, go to [http://www.wto.org/english/tratop\\_e/serv\\_e/telecom\\_e/telecom\\_commit\\_exempt\\_list\\_e.htm](http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_commit_exempt_list_e.htm). Argentina is not a signatory to the WTO Information Technology Agreement, which completely eliminates duties on a variety of information communications technology products by January 2000.

## Leading Service Providers

Claro

[www.claro.com.ar/](http://www.claro.com.ar/)

Comsat International

<http://www.comsat.net.ar>

CTI Móvil

<http://www.cti.com.ar>

Impsat Fiber Networks

<http://www.impsat.com>

Iplan Networks

<http://www.iplan.co.ar>

Nextel Argentina

[www.nextel.com.ar](http://www.nextel.com.ar)

Telecom Argentina

<http://www.telecom.com.ar>

Telecom Personal

<http://www.personal.com.ar>

Telefónica de Argentina

<http://www.telefonica.com.ar>

Telefónica Móviles Argentina (formerly Movicom and Unifón)

<http://www.movistar.net.ar>

Telmex Argentina

<http://www.telmex.com>

## **Contacts**

### *Regulatory*

Comisión Nacional de Comunicaciones

<http://www.cnc.gov.ar>

Secretaría de Comunicaciones

<http://www.secom.gov.ar>

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